



VIOLATION REPORTING SYSTEM (WHISTLEBLOWING SYSTEM)

The Company's Whistleblowing System (WBS) policy is guided by Bank Indonesia Regulation No. 5/8/PBI/2003 amended by PBI Number 11/23/PBI/2009 and the Bank Indonesia Circular Letter No. 13/28 /DPNP concerning the Anti-Fraud Policy. The Company's WBS forms an integral part of the Internal Control System in preventing the occurrence of irregularities with the aim of both detecting and preventing the occurrence of irregularities or violations and to gradually create an open, sincere, honest and responsible work climate in the Company.

TYPES OF ABUSES THAT MAY BE REPORTED

Violations or deviations are any form of action that significantly interferes with the business continuity or threatens the safety of the Company. Several examples of violations and/or irregular practices that may be reported based on the WBS policy include the following:

1. All criminal violations (including theft, fraud, drug use, corruption etc.);
2. Abuse of Authority in serving customers, vendors, or suppliers (e.g. unwarranted payment delays, extortion, etc.);
3. Violations of Banking regulations regulated in the Law No. 10/1998 of Law No. 7/1992, regarding the failure to implement the principle of prudence, disclosing customers' personal data to unauthorized persons, making incorrect logging, asking for money for banking services performed, etc.;
4. Actions that endanger Occupational Health and Safety;
5. Actions that may jeopardize the Company, both financially and non-financially, including the tarnishing of the Company's reputation;
6. Violations of Internal Rules (SOP), which may damage the Integrity of Corporate Reporting, both in the field of finance and any other fields.
7. Actions that may damage the Company, both financially and non-financially, including damaging the Company's Reputation;

8. Actions of serious violations of the Code of Conduct for Employees;

WHISTLE-BLOWING SYSTEM INFORMATION DISSEMINATION

WBS internalization within the Company is implemented by distributing the guidelines concerning the Whistle-Blowing System (WBS) as stipulated by the Board of Directors' Circular Letter and through sharing sessions presented directly to all the Company's leaders and employees. In addition, to reaching all the Company's stakeholders, the Whistle-Blowing System socialization was also conducted through the Company's website and various other media, including internal newsletters, posters, live presentations of the WBS ethics and policy guidelines.

ABUSE REPORT AND WBS CHANNELS SUBMISSION MECHANISM

In submitting violation reports, the mechanism is designed for the informant to submit a report/disclosure and then send it based on the indications of the committed violations and the suspects, including the following:

1. The alleged violation report shall be directly addressed to the SPP/WBS team if the alleged violator is staff.
2. The alleged violation report shall be directly addressed to the President Director if the alleged violator is a member of the SPP/WBS team.
3. The alleged violation report shall be directly addressed the President Director and reported to the Board of Commissioners if the alleged violator is a member of the Board of Directors or their family members.
4. The alleged violation report shall be directly addressed to the President Director if the alleged violator is a member of the Board of Commissioners or their family members.

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In addition, the Company also develops the supporting arrangements in implementing the WBS policies whereby the reporter shall submit reports through the following media:

1. The Whistle-Blowing System Team of PT Bank Tabungan Negara (Persero) Tbk
 - a. PO Box 10000 BTN Whistle-Blowing System (WBS) Bank BTN
 - b. Email: wbs.btn@btn.co.id
 - c. SMS/Phone: 0811-92-45678
2. President Director if the reported party is a member of the Board of Commissioners or their family members:
 - a. President Director of PT Bank Tabungan Negara (Persero) Tbk
 - b. PO Box 10000 BTN Whistle-Blowing System (WBS) Bank BTN
3. The Board of Commissioners if the reported party is a member of the Board of Directors or their family members:
 - a. The Board of Commissioners of PT Bank Tabungan Negara (Persero) Tbk
 - b. PO Box 10000 Bank BTN Whistle-Blowing System (WBS) Bank BTN

WHISTLEBLOWER PROTECTION

The Company guarantees the protection of the Whistle-Blower who shows a good intention of reporting any violations that may risk causing a loss for the Company. The protections included are the following:

1. Reporting communication channel (verbally, telephone, email) that is free and confidential or an independent and confidential Ombudsman. The Informant will receive follow-up information from the communication channel regarding the report submitted concerning the alleged violations;

2. Guaranteeing the Informant's anonymity, unless there is a legal requirement that requires the identity to be disclosed in the presence of the judge;
3. Protection from retaliation from the Informant or the Organization being reported. This protection may include the following measures:
 - a. Physical protection either against himself/herself or his/her family;
 - b. Protection of his/her property and his/her family against terror or retaliation;
 - c. Administrative protection in the form of promotion delays, dismissal, exclusion in the workplace, infeasible transfers, including job security, etc.;
 - d. Legal protection, in the litigation process in the District Court, including the cost, and if necessary, including protection through the Witness and Victim Protection Agency (LPSK).

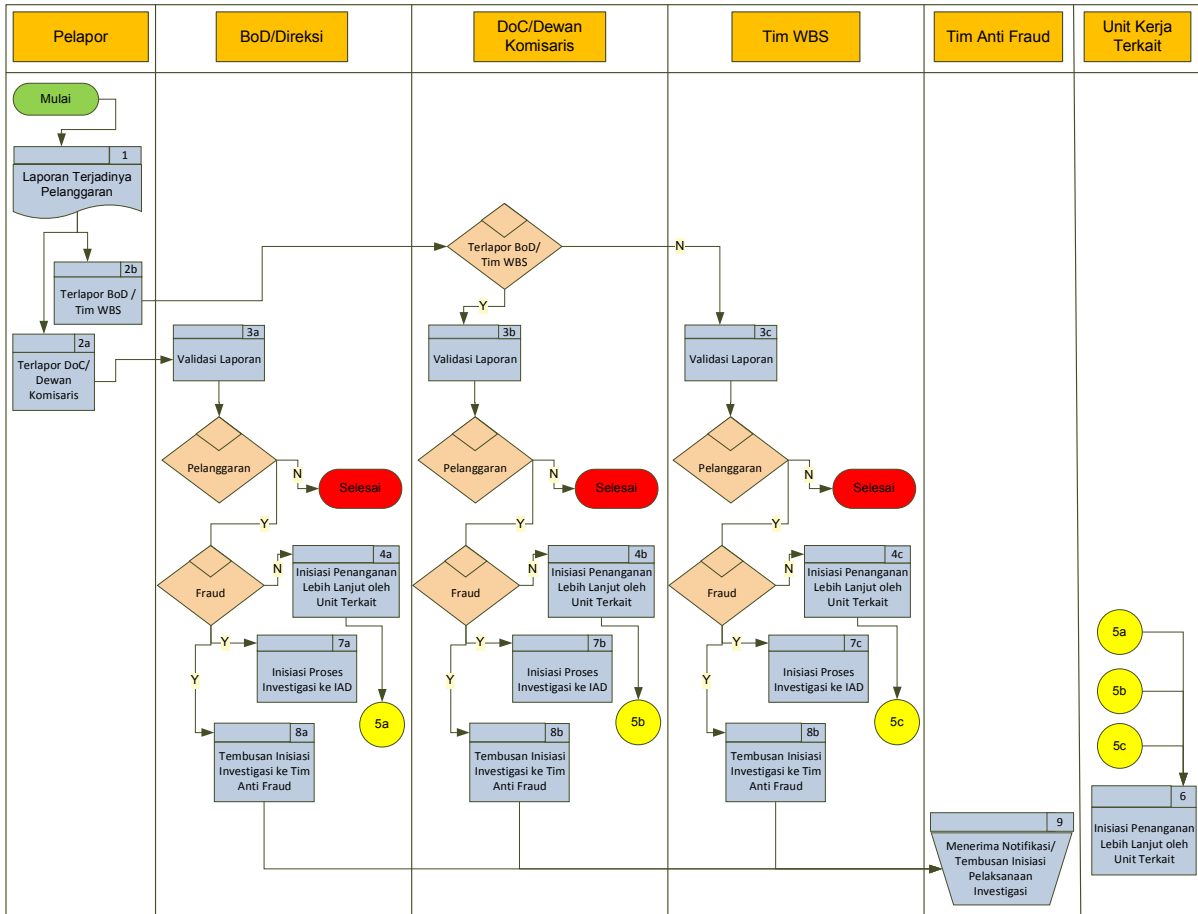
MANAGEMENT TEAM AND COMPLAINT HANDLING MECHANISM THROUGH WBS

The Company's WBS is managed by the WBS Team, which consists of:

1. Head of the Internal Audit Division
2. WBS Management Unit (Secretary),
3. Head of the Compliance Division (Member),
4. Head of the Human Capital Division (Member) and
5. Head of the Risk Management Division (Member).



Every report received, is followed up by the WBS Team with the following procedure:

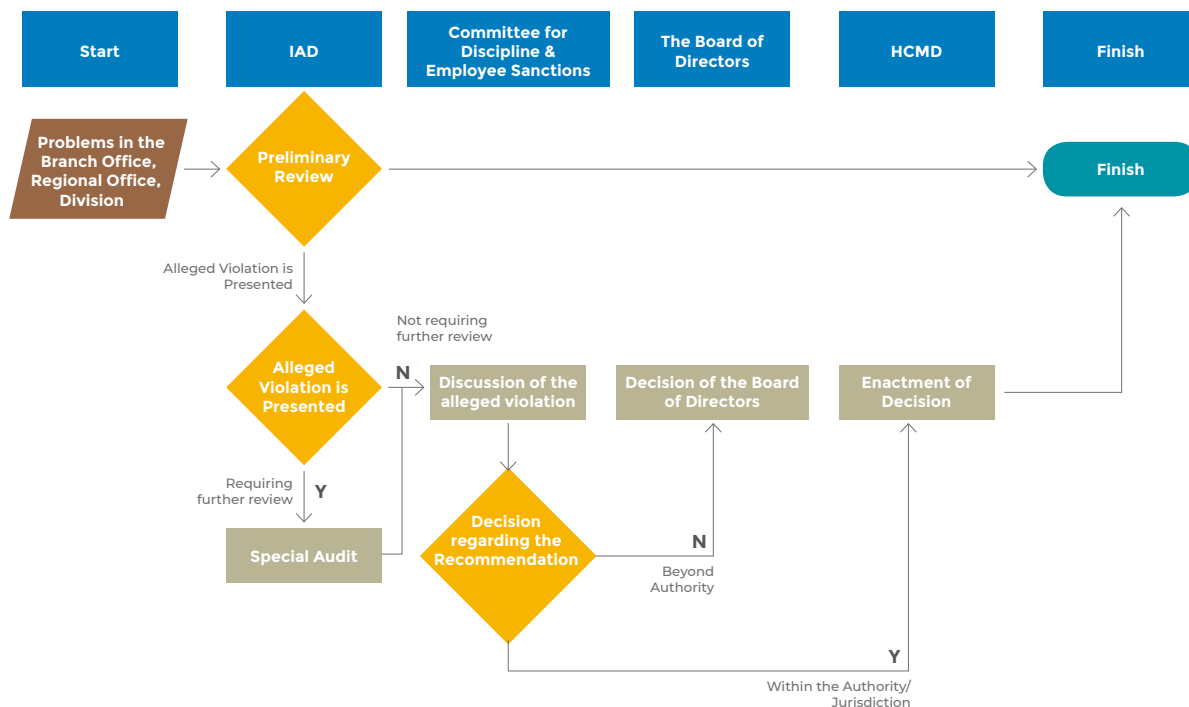


Sanctions (Legal) Process Flow Chart



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Sanctions (Bank) Process Flow Chart



WBS REPORTING AND HANDLING SUMMARY

In 2018, there were 122 reports received, which consisted of 11 reports that were submitted via Letter/PO BOX, 30 reports via text/phone/direct report, and 71 reports via email. Based on the reports received, 106 reports were settled without any further Audit (Audit clarification and/or Special Audit) and 6 reports were passed for further Audit processing (Audit clarification and/or Special Audits). In detail, the extent of complaints/accusations forwarded to the Audit process over the last 5 years are as follows:

Year	Media Channel			Follow Up			
	Letter/ PO BOX	SMS/ HP/ Direct Reporting	Email	Closed reports (Not proven)	Ongoing reports (Audit process/ Reporting process/ Interdivision process)	Reports that were issued with sanctions (Including Administrative Sanctions)	Reports forwarded to Investigators (Related to Public Crimes or Corruption)
2014	0	1	2	1	0	2	0
2015	7	3	9	7	0	11	1
2016	5	2	1	0	1	7	0
2017	1	0	4	0	2	2	1
2018	1	0	5	0	6	0	0